

APPRAISAL CONTENT REQUIREMENTS

INFORMATION FURNISHED TO APPRAISER

The appraiser will be provided a parcel file and other assistance consisting of the following:

- A plat of the property which is a drawing of the entire ownership. It indicates the locations of major buildings and the proposed acquisition. This plat is not to be confused with a land surveyor's acquisition plat.
- The Land Surveyor's Acquisition Plat, if available
- The Summary of the Proposed Acquisition, which is a listing of various property rights that will be acquired, including: property areas before and after the acquisition; areas of various acquisitions; access control information, including "additional length of drive"; and, right of way fencing (used by the acquisition agent only).
- The Report of Record Ownership and Liens prepared by a local abstracter, if available.
- Pertinent copies of highway cross-sections (mainline, side road, borrow, etc.), if available.
- The Right of Way plans describing the acquisitions, details of the proposed acquisition from each property to be appraised, property ownership lines and existing right of way lines.
- The Required forms will be furnished to contract appraisers along with any other optional agency developed forms.
- Staking of Proposed Acquisition. Upon request from the appraiser, the Iowa DOT will arrange to have the proposed acquisition lines staked on the ground. This will be done when necessary to assist the Appraiser in determining the extent of the acquisition. Staking requests from property owners should go through the Chief Appraiser or Acquisition Supervisor to the appropriate District.
- Legal assistance regarding appraisal issues will be furnished to the Appraiser as necessary.

DATA REQUIRED IN ALL APPRAISAL REPORTS

The following information is required in the Detailed Appraisal, the Value Finding Appraisal and the Residential Appraisal reports in order to assist the reader in navigating and understanding the appraisal.

➤ Title Page

This should include: 1) the type of appraisal report; 2) the county, project number and parcel number; 3) the name of the owner and address of the property being appraised; 4) the effective date of the appraisal; and, 5) the name and address of the appraiser(s) making the report.

➤ Letter of Transmittal

This should include, at a minimum: 1) the date of the letter; 2) the identification of the property and property rights appraised; 3) a reference that the letter is accompanied by the type of appraisal report format used; 4) a statement of the effective date of the appraisal; 5) the value estimate or estimates in the case of a partial acquisition; and, 6) the appraiser's signature.

➤ Table of Contents

The major parts of the appraisal report and their subheadings should be listed. All pages should be numbered for ease of reference.

➤ Form 633-101, "Appraisal" form

This form is furnished by the Iowa DOT and must be included in both the **Detailed Appraisal and Value Finding Appraisal** reporting formats.

In those instances where the assignment was to appraise a "Partial Acquisition", and the acquisition results in either a change in highest and best use from the existing use, or where the estimate of just compensation approaches or exceeds half of the before value, the appraiser is to provide a Form 633-101 for each "Partial Acquisition" and "Total Acquisition" situation. In this situation, the Department's initial "offer to purchase" may be on either premise.

OR

Form 633-401--"Residential Appraisal", furnished by the Iowa DOT, is intended for use in the appraisal of single family residences where a total acquisition or before value is required.

Note that on both of the above forms, when an owner or a tenant is a corporation or an estate, the name and address of an appropriate corporate officer or executor must be shown.

➤ Form 633-204,"Certification of Appraiser"

This form furnished by the Iowa DOT, or its equivalent, is required on all appraisal reports except those prepared on Form 633-401 (Residential Appraisal).

➤ Form 633-205

This form furnished by the Iowa DOT, or its equivalent, is required in all appraisal reports, except residential appraisals using Form 633-401. It includes "Purpose of the Appraisal", "Definition of Market Value", "Definition of Highest and Best Use", "Hazardous Substance Contamination", "Five Year Delineation of Title", "Leases", and "Date of Inspection and Invitation".

➤ Subject as Sale

If the subject property has sold during the last **five years**, the appraiser must consider the sale in the Sales Comparison Approach, or explain the reason for omission.

➤ Statement of Contingent and Limiting Conditions (Exhibit 4, Form 633-206)

Contract Appraisers may use their own "Assumptions and Limiting Conditions" so long as all items on the Iowa DOT "ASSUMPTIONS AND LIMITING CONDITIONS" are included, and none of the items added by the appraiser conflict with the Iowa DOT's items.

➤ Photographs

Identified photographs of the subject property including principal above ground improvements, or unusual features, affecting the value of property to be acquired or damaged. Photographs of improvements and land within a partial acquisition area are required.

Photographs of an acquired residence must include exterior shots from opposite corners to ensure all sides of the structure are shown. Interior photographs should include the kitchen(s), bathroom(s), heating, ventilation and air-conditioning (HVAC) system, electrical system and any other feature that would be addressed in the “Elements of Comparison” portion of the appraisal report.

Photographs of other acquired improvements should include one interior shot and any unique characteristics

Original color photographs or digital reproductions should be included in all copies.

➤ Sketches

Floor plan sketches with dimensions of each improvement to be acquired must be included in the appraisal report. The sketch does not have to be drawn to scale but should be approximate.

➤ Sales Data Sheets

Sales Data Sheets are required as part of all appraisal report formats. They must include: the sale number; grantor and grantee; type of instrument and date; date of transaction if significantly different from instrument date; book and page of record (if not recorded so state); sale price confirmed by a party to the transaction; name of confirming individual; and, conditions of sale and financing. Also: a simplified legal description; description of land and improvements; neighborhood or location factors; zoning; date of inspection; location; street address or directions; photographs of improvements and any special features; rental and expense information; cash equivalency calculations; and any other pertinent information or calculations.

➤ Cash Equivalency

All sales must be reduced to their cash equivalent values. When a cash equivalency adjustment is required, calculations or logic must be indicated either, on the sale data sheet, or in the appraisal report.

Basis:

Iowa Civil Jury Instruction 2500.4, Fair and Reasonable Market Value. Jordan v. Iowa Department of Transportation, 468 N.W.2d 827 (Iowa 1991); Redfield v. Iowa State Highway Commission, 110 N.W.2d 397 (Iowa 1961).

➤ Confirming and Inspecting Sales

Sales that are used as a primary comparables in an appraisal report must be both confirmed and physically inspected by the appraiser. It is not necessary to confirm or inspect sales that the appraiser is not considering as primary comparables, unless the information gained could reasonably be expected to have a significant impact on the value conclusion. The appraiser will only rely on confirmations from parties that were directly involved in the sale, such as the grantor, grantee, or broker. Confirmation gained from persons not directly involved is unacceptable, unless the appraiser explains any special circumstances involved. When unusual conditions or questionable values are discovered, it is recommended that the appraiser interview more than one of the parties involved in the transaction to insure reliability of data.

When two or more appraisers are assigned to a project, and both are preparing appraisals on the same parcels, they may exchange factual data and jointly confirm and inspect sales. **However, these cooperative activities are specifically limited to the gaining of factual data.** Each appraiser must develop an independent analysis of sales. Any exchange of opinion or analysis, regardless of form, is prohibited.

➤ Location Maps

Location Maps should be provided indicating sales locations relative to streets or major roadways. Subject properties shall also be located on the maps.

➤ Appraisal “Record of Contacts” (Exhibit 7, Form 632-052)

This form furnished by the Iowa DOT is to be included along with all appraisals. It is not a part of an appraisal. Its provisions are not subject to the Appraisal Standards of Iowa Code chapter 543D. This is an internal working document and should not be subject to disclosure, as might be an appraisal, in the event that the property is acquired through eminent domain.

The purpose of the form is to record any information found by the appraiser different from, or in addition to, that information which was provided as a part of the appraisal assignment. Any information which might be helpful to those who will be subsequently contacting the property owner or tenants should be provided.

Examples of such information are as follows.

- ❖ Directions to the location of an owner or tenant's property if that property is not easily located from information in the parcel file. Also, the place of employment, business hours, and business phone number of the owner or tenant if that is where the individual might best be contacted.

- ❖ Information regarding any unusual or unique characteristics of the property which were noted during the site visit but were not discussed within the body of the appraisal.
- ❖ Information on specific sales provided by the property owner during the appraiser's contact with the property owner if this information was determined not to be of value to the appraiser or had no bearing on the appraisal
- ❖ Information on any special needs of an owner or tenant, which will need to be addressed by subsequent visitors. This may include limited English proficiency, visual or hearing difficulties, etc.
- ❖ Information for the safety and well being of subsequent site visitors, such as the presence of an unfriendly animal.

This list is far from exhaustive. The appraiser is to record for the benefit of those who follow any information, which might be helpful in the process of acquiring the necessary right-of-way.

Staff appraisers are expected to complete this form and submit it to the Chief Appraiser for review no later than the Monday following the inspection date.

This form must be placed behind the "APPRAISAL SECTION" Parcel File Check Sheet and then submitted to the Right of Way Record Center by the Appraisal Reviewer. A copy of this form should be inserted in the brown or field file.

➤ Well Tests

If the appraiser notes any primary well in use located within the area to be acquired or otherwise rendered unusable by right of way acquisition, a well contractor is to be hired to test the capacity of the well and the quality of the water. The contractor is to determine the gallons pumped per minute.

A water sample will be taken and sent to a qualified laboratory to determine the bacterial and nitrate level. The intent is to have a benchmark for a new water source. This should help to reduce the number of claims of poor quality or low water volume in a new replacement well. The charges for the two tests completed by the well contractor can be submitted to the Iowa DOT for payment.